Policies and Procedures for Proper Use of Non-DoD Contracts

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Proper Use of Non-DoD Contracts

DoD spends billions of dollars through non-DoD contract

vehicles. This includes:

- Orders issued under these vehicles by DoD personnel
- Orders issued by non-DoD federal entities on DoD's behalf, using DoD funds

Examples:

- GSA Schedules
- Government-wide Acquisition Contracts

Recent Inspector General reviews have found that non-DoD contract vehicles are not always properly used

DFARS Interim Rule & New Policies

- DFARs Interim Rule 2002-D024 (Issued 1 October 2003)
  - Applicable to acquisition of services
  - Review process and procedures established by each agency or department

- Establishing New Policies
  - Applicable to acquisition of both services and supplies
  - Applies above the simplified acquisition threshold ($100,000)
  - Provide DoD unique terms and conditions to assisting agencies
  - Agencies and departments must establish a pre-award review process/procedures to ensure that using non-DoD vehicles are in the best interest of the Department of Defense
  - Develop post-award review processes/procedures to analyze data on non-DoD contract vehicle usage

Pre/Post Award Review Procedures

- Pre-Award Review Processes/Procedures
  - Procedures should include consultation with DoD Contracting Officers and Financial managers, and take into consideration the following:
    - Does this meet the customer's needs – quality, delivery, price
    - Whether the requirements are within scope of the intended vehicle
    - Cost effectiveness (including fees and discounts)
    - Schedule
    - Contract administration

- Post-Award Review Processes/Procedures
  - Coordinate with assisting agencies to analyze data on the number and value of transactions using non-DoD vehicles, as well as measuring the proper use and effectiveness of these vehicles

What “Get It Right” Means to You

What "Get It Right" Means To...

DoD Contracting Officers

- Before using non-DoD vehicles, determine whether this option is in the best interest of the Department of Defense.

In order to do so, take into account the following:

  - Does this meet the customer's needs—quality, delivery, price
  - Whether the requirements are within scope of the intended vehicle/schedule
  - Cost effectiveness (including fees and discounts)
  - Schedule
  - Contract Administration
  - Consideration of small businesses (review for bundling)

- Review contract terms and conditions of assisting agencies' vehicles prior to placing orders and provide to the assisting agency any unique requirements/terms and conditions associated with the acquisition

What "Get It Right" Means To....

Program Managers

- Ensure bona fide need and define requirements accurately and completely
- Orders/Contracts for services >$100,000 must be "performance based"
- In collaboration with Contracting Officer, perform market research, i.e. identify multiple potential sources
- Comply with procedures established by Military Department or Defense Agency
- Before sending funds or requirements to a non-DoD agency for acquisition purposes, take into consideration the following:
  - Whether the requirements are within scope of the intended vehicle
    (e.g. use designated schedules for IT, not for the buildings that house IT)
  - Schedule
  - Cost effectiveness (including fees and discounts)
  - Ensure that the supplies or services acquired are

* Most importantly, this requires advance acquisition planning. Non-DoD vehicles are not to be a substitute for poor planning nor are they to be used to circumvent conditions and limitations imposed on the use of funds.*

What "Get It Right" Means To...
Finance Managers

iew funding requests/funding citations to ensure that the su
ervices to be acquired are consistent with the appropriated
ing to be utilized.

ure that the transaction complies with internal review proc
blished by Military Departments and Defense Agencies.

tribute to the review and analysis of the metric based repo
ided by assisting agencies on use of non-DoD contract vehi

What "Get It Right" Means To...

Assisting Agencies

- for and incorporate any unique terms and conditions applicable to the
ied by DoD
- pare order or contract requirements to intended vehicle to ensure that
laced appropriately and be within scope (e.g. Using designated schedu
IT, not the buildings that house IT products and services)
- isition of services—ensure compliance with Section 803 (receive at lea
osals)
- requirements package is incomplete, please contact the Contracts and
irements POC immediately!
- erly code data in FPDS-NG (capturing data on which agency the purch
for) and provide reports/data to requiring organizations for analysis
- e terms and conditions easily available to DoD ordering or requirement
nline)
- realistic customer expectations

What "Get It Right" Means To...
Contractors

With revenue comes responsibility.

If task or item ordered is outside the scope of the contract, the Contractor has responsibility to notify the Government

Educate workforce (including business development, marketing, and sales force)